

Message Text

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PAGE 01 STATE 080122
ORIGIN EA-12

INFO OCT-01 ISO-00 /013 R

DRAFTED BY EA/K:DBLAKEMORE:JCM
APPROVED BY EA/K - MR. RICH
-----018258 290551Z /13
R 290321Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY SEOUL

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E.O. 11652:N/A

TAGS: BDIS, BENC, KS, US

SUBJECT: CONTRACT DISPUTE: PACIFIC ARCHITECTS AND
ENGINEERS

1. A REPRESENTATIVE OF THE FIRM PACIFIC ARCHITECTS AND ENGINEERS, MR. MICHAEL GUILINO, CALLED AT THE DEPARTMENT MARCH 28 TO DESCRIBE THE FOLLOWING TRADE DISPUTE WITH THE ROKG. IN THE PERIOD 1967-69 PAE PERFORMED CERTAIN WORK, UNDER CONTRACT TO THE MINISTRY OF GOVERNMENT ADMINISTRATION, CONNECTED WITH THE DESIGN AND CONSTRUCTION OF THE UNIFIED GOVERNMENT BUILDING IN SEOUL. PAE MAINTAINS THAT IN THE COURSE OF CONSTRUCTION IT WAS ASKED BY MGA TO DO MORE WORK THAN ITS CONTRACT REQUIRED, AND IT PERFORMED SUCH WORK. IT CLAIMS THE TOTAL VALUE OF THE WORK PERFORMED WAS \$941,000, BUT MGA WOULD PAY ONLY 300,000, LEAVING A CLAIM OF \$641,000. THE CONTRACTS WERE UNILATERALLY TERMINATED BY MGA IN JANUARY 1970. CONTRACTS INCLUDED AN ARBITRATION CLAUSE, AND PAE HAS SOUGHT ARBITRATION PROCEEDINGS UNDER THE AUSPICES OF THE INTERNATIONAL CHAMBER OF COMMERCE, BUT MGA HAS REFUSED TO ARBITRATE.

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2. THE MATTER COMES TO THE FORE AGAIN AT THIS TIME BECAUSE THE COMPANY HAS SUCCEEDED IN ATTRACTING THE ATTENTION OF THE FRASER COMMITTEE TO ITS STORY, AND THE COMMITTEE MAY LOOK INTO THE DISPUTE IN DETAIL. WITH THIS POSSIBILITY IN MIND, WE WOULD LIKE TO HAVE A CLEARER IDEA OF THE KOREAN GOVERNMENT'S SIDE OF THIS STORY. THE EMBASSY

IS THEREFORE REQUESTED TO A) REVIEW ITS FILES FOR
ADDITIONAL BACKGROUND AND B) DISCUSS THE RATIONALE
BEHIND THE ROKG POSITION WITH APPROPRIATE KOREAN

OFFICIALS. WE HAVE CHECKED WITH THE ROK EMBASSY HERE,
AND LEARNED THAT WHILE THEY HAVE HAD SOME RECENT COR-
RESPONDENCE ON THE ISSUE, THEY HAVE NO ADDITIONAL
DETAILS.

3. A COPY OF PAE'S BACKGROUND SUMMARY IS BEING
POUCHED TO STAVE. COOPER

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
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Copy: SINGLE
Draft Date: 29 mar 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: DBLAKEMORE:JCM
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Film Number: D780135-0952
Format: TEL
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ISecure: 1
Legacy Key: link1978/newtext/t19780313/aaaaakhp.tel
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d1705ebb-c288-dd11-92da-001cc4696bcc
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Original Handling Restrictions: ONLY
Original Previous Classification: n/a
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